

Administration of Barack Obama, 2013

Remarks on the Federal Budget

September 27, 2013

Good afternoon, everybody. Before I discuss the situation in Congress, let me say a few things about two important opportunities in our foreign policy.

Iran/President Hassan Rouhani of Iran

Just now I spoke on the phone with President Rouhani of the Islamic Republic of Iran. The two of us discussed our ongoing efforts to reach an agreement over Iran's nuclear program. I reiterated to President Rouhani what I said in New York: While there will surely be important obstacles to moving forward and success is by no means guaranteed, I believe we can reach a comprehensive solution.

I've directed Secretary Kerry to continue pursuing this diplomatic effort with the Iranian Government. We had constructive discussions yesterday in New York with our partners, the European Union, the United Kingdom, France, Germany, Russia, and China, together with the Iranian Foreign Minister. Going forward, President Rouhani and I have directed our teams to continue working expeditiously, in cooperation with the P-5-plus-1, to pursue an agreement. And throughout this process, we'll stay in close touch with our friends and allies in the region, including Israel.

Now, we're mindful of all the challenges ahead. The very fact that this was the first communication between an American and Iranian President since 1979 underscores the deep mistrust between our countries, but it also indicates the prospect of moving beyond that difficult history.

I do believe that there is a basis for a resolution. Iran's Supreme Leader has issued a fatwa against the development of nuclear weapons. President Rouhani has indicated that Iran will never develop nuclear weapons. I've made clear that we respect the right of the Iranian people to access peaceful nuclear energy in the context of Iran meeting its obligations. So the test will be meaningful, transparent, and verifiable actions, which can also bring relief from the comprehensive international sanctions that are currently in place.

Resolving this issue, obviously, could also serve as a major step forward in a new relationship between the United States and the Islamic Republic of Iran, one based on mutual interest and mutual respect. It would also help facilitate a better relationship between Iran and the international community, as well as others in the region, one that would help the Iranian people fulfill their extraordinary potential, but also help us address other concerns that could bring greater peace and stability to the Middle East.

A path to a meaningful agreement will be difficult, and at this point, both sides have significant concerns that will have to be overcome. But I believe we've got a responsibility to pursue diplomacy and that we have a unique opportunity to make progress with the new leadership in Tehran. I also communicated to President Rouhani my deep respect for the Iranian people.

Syria/United Nations Security Council Resolution

Now, as I said before, this comes on the same day that we can accomplish a major diplomatic breakthrough on Syria, as the United Nations Security Council will vote on a

resolution that would require the Asad regime to put its chemical weapons under international control so they can ultimately be destroyed. This binding resolution will ensure that the Asad regime must keep its commitments or face consequences. We'll have to be vigilant about following through, but this could be a significant victory for the international community and demonstrate how strong diplomacy can allow us to secure our country and pursue a better world.

Federal Budget

Now, America's security and leadership don't just depend on our military strength or our alliances or our diplomacy. First and foremost, America's strength depends on a strong economy where our middle class is growing and everyone who works hard has a chance to get ahead. So let me say a few words about the situation that's developed over the past few weeks on Capitol Hill.

Here at home, the United States Congress has two pressing responsibilities: pass a budget on time and pay our bills on time.

If Congress chooses not to pass a budget by Monday—the end of the fiscal year—they will shut down the Government, along with many vital services that the American people depend on. The good news is, within the past couple of hours, the United States Senate, Democrats and Republicans, acted responsibly by voting to keep our Government open and delivering the services the American people expect. Now it's up to Republicans in the House of Representatives to do the same. I say that because obviously Democrats have a great interest in making sure that these vital services continue to help the American people.

So far, the Republicans in the House of Representatives have refused to move forward. And here's the thing: Unlike the last time they threatened this course of action, this debate isn't really about deficits. In fact, our deficits are falling at the fastest pace that they have in 60 years. By the end of this year, we will have cut our deficits by more than half since I took office. So that's not what this is about. And in fact, if you've been following the discussion, the Republicans in the House don't even make a pretense that that's what this is about.

Instead, the House Republicans are so concerned with appeasing the Tea Party that they've threatened a Government shutdown or worse unless I gut or repeal the Affordable Care Act.

I said this yesterday; let me repeat it: That's not going to happen. More than a hundred million Americans currently, already have new benefits and protections under the law. On Tuesday, about 40 million more Americans will be able to finally buy quality, affordable health care, just like anybody else. Those marketplaces will be open for business on Tuesday no matter what, even if there's a Government shutdown. That's a done deal.

As I've said before, if Republicans have specific ideas on how to genuinely improve the law, rather than gut it, rather than delay it, rather than repeal it, I'm happy to work with them on that through the normal democratic processes. But that will not happen under the threat of a shutdown.

So, over the next 3 days, House Republicans will have to decide whether to join the Senate and keep the Government open or shut it down because they can't get their way on an issue that has nothing to do with the deficit.

I realize that a lot of what's taking place right now is political grandstanding. But this grandstanding has real effects on real people. If the Government shuts down on Tuesday,

military personnel, including those risking their lives overseas for us right now, will not get paid on time. Federal loans for rural communities—small-business owners, families buying a home—will be frozen. I'm already starting to get letters from people worried that this will have an impact on them directly. Critical research into lifesaving discoveries will be immediately halted.

The Federal Government has a large role across the country and touches the lives of millions of people, and those people will be harmed. And even the threat of a shutdown already is probably having a dampening effect on our economy; we saw that the last time these kinds of shenanigans were happening up on Capitol Hill.

So to any Republican in Congress who's currently watching, I'd encourage you to think about who you're hurting. There are probably young people in your office right now who came to work for you, without much pay, because they believed that public service was noble. You're preparing to send them home without a paycheck. You've got families with kids back in your districts who serve their country in the Federal Government, and now they might have to plan how they're going to get by if you shut the Government down.

Past shutdowns have disrupted the economy, and this shutdown would as well. It would throw a wrench into the gears of our economy at a time when those gears have gained some traction. And that's why many Republican Senators and many Republican Governors have urged Republicans to knock it off, pass a budget, and move on. Let's get this done.

This brings me to Congress's second responsibility. Once they vote to keep the Government open, they also have to vote within the next couple of weeks to allow the Treasury to pay the bills for the money that Congress has already spent. I want to repeat: Raising the debt ceiling is simply authorizing the Treasury to pay for what Congress has already authorized.

Failure to meet this responsibility would be far more dangerous than a Government shutdown. It would effectively be an economic shutdown, with impacts not just here, but around the world. We don't fully understand what might happen, the dangers involved, because no Congress has ever actually threatened default. But we know it would have a profound destabilizing effect on the entire economy, on the world economy, because America is the bedrock of world investment. The dollar is the reserve currency. The debt that is issued by the Treasury is the foundation for our capital markets. That's why you don't fool with it.

Now, some Republicans have suggested that unless I agree to an even longer list of demands—not just gutting the health care law, but cutting taxes for millionaires or rolling back rules on big banks and polluters or other pet projects that they'd like to see and they've been trying to get passed over the last couple of years—that they would push the button, throw America into default for the first time in history, and risk throwing us back into a recession.

Now, I am willing to work with anybody who wants to have a serious conversation about our fiscal future. I've demonstrated that by putting forward serious reforms to tax and entitlement programs that would bring down our long-term deficits. I have said in the past—and I will continue to say—that I'm willing to make a whole bunch of tough decisions, ones that may not be entirely welcomed by my own party.

But we're not going to do this under the threat of blowing up the entire economy. I will not negotiate over Congress's responsibility to pay the bills that have already been racked up. Voting for the Treasury to pay America's bills is not a concession to me. That's not doing me a favor. That's simply carrying out the solemn responsibilities that come with holding office up there. I don't know how I can be more clear about this. Nobody gets to threaten the full faith

and credit of the United States just to extract political concessions. No one gets to hurt our economy and millions of innocent people just because there are a couple of laws that you do not like.

It has not been done in the past; we're not going to start doing it now. I'm not going to start setting a precedent—not just for me, but for future Presidents—where one Chamber in Congress can basically say, each time there needs to be a vote to make sure Treasury pays its bills, we're not going to sign it unless our particular hobbyhorse gets advanced.

Imagine if you had a Republican President and a Democratic Speaker, and the Democratic Speaker said, well, we're not going to pass a debt ceiling unless we raise corporate taxes by 40 percent or unless we pass background checks on guns or whatever other list of agenda items Democrats were interested in. Does anybody actually think that we would be hearing from Republicans that that was acceptable behavior?

That's not how our constitutional system is designed. We are not going to do it. The American people have worked too hard to recover from a bunch of crises—several of them now over the last couple of years inflicted by some of the same folks in Congress that we're talking about now—to see extremists in Congress cause another crisis.

And keep in mind, by the way, this whole thing has to do with keeping the Government open for a few months. The continuing resolution, the bill that's designed to avert a Government shutdown, basically just funds the Government for another couple months, so we could be doing this all over again. I'm sure the American people are thrilled about that.

And that's why we've got to break this cycle. My message to Congress is this: Do not shut down the Government; do not shut down the economy. Pass a budget on time; pay our bills on time. Refocus on the everyday concerns of the American people.

There will be differences between Democrats and Republicans. We can have all kinds of conversations about how to resolve those differences. There will be areas where we can work together. There will be areas where we disagree. But do not threaten to burn the house down simply because you haven't gotten a hundred percent of your way. That's not how our democracy is supposed to work.

Every day that this goes on is another day that we're not focused on doing what we need to be focused on, which is rebuilding this great country of ours so that our middle class is growing and everybody has got opportunity if they're willing to work hard. That's what I'm focused on. That's what Congress should be focused on as well. All right?

Thank you very much, everybody.

NOTE: The President spoke at 3:42 p.m. in the James S. Brady Press Briefing Room at the White House. In his remarks, he referred to Minister of Foreign Affairs Mohammad Javad Zarif-Khonsari and Supreme Leader Ayatollah Ali Hoseini-Khamenei of Iran; and President Bashar al-Asad of Syria.

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